

# High Net Worth Foreign National Program producer guide

(R-5/2019)

Wealthy individuals who have meaningful financial interests in the United States may have a need for life insurance to protect their financial interests. The Allianz High Net Worth Foreign National (HNWFN) Program provides an opportunity for these non-U.S. residents from select countries to purchase life insurance if they have a defined life insurance need.

**As a producer selling through the Allianz HNWFN program, it is expected that you understand all of the requirements stated within this guide.**

## PROGRAM OVERVIEW

### Definition and criteria of a high net worth foreign national



#### DEFINITION

High net worth foreign nationals are individuals of any citizenship other than U.S. residing outside the U.S. for more than six months per year. They may or may not have a long history in the U.S., or the intention to permanently reside in the U.S., but are temporarily in the U.S. on a non-immigrant visa. High net worth foreign nationals have substantial U.S. connections and a demonstrated need for U.S.-based life insurance coverage.



#### CRITERIA

Allianz Life Insurance Company of North America (Allianz) determines an individual's foreign national underwriting classification based upon the following at the time of application:

1. Legal citizenship and residency status;
2. Location of residence, employment, and legal authorization thereof; and
3. Connections to the United States and need for U.S.-based life insurance

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## PROGRAM OVERVIEW (continued)

<b>Product availability</b>	<ul style="list-style-type: none"> <li>• Fixed index universal life (single life only)</li> <li>• Premiums paid from U.S. bank account</li> <li>• No Temporary Insurance Agreement</li> <li>• Available riders include: <ul style="list-style-type: none"> <li>- Premium Deposit Fund Rider</li> <li>- Enhanced Liquidity Rider</li> <li>- Waiver of New Charges Benefit</li> <li>- Loan Protection Rider</li> <li>- Supplemental Term Rider</li> <li>- Additional Term Rider</li> </ul> </li> </ul>
<b>Underwriting guidelines</b>	<ul style="list-style-type: none"> <li>• Ages 18-70</li> <li>• Minimum death benefit of \$1 million up to a maximum of \$35 million. Please note: Any death benefit over \$10 million is available through facilitative consideration only.</li> <li>• “A” countries eligible up to and including Preferred; “B” countries eligible up to and including Standard.</li> <li>• Underwriting is available up to a maximum of Table 4 rating.</li> <li>• Flat extras may be assessed for foreign residency/travel (depending on state law)</li> <li>• Private aviation limited to only “A” country residents</li> </ul>
<b>Financial underwriting</b>	<p>To include foreign assets in the determination of death benefit and affordability, the following minimum net worth and income standards are required for each high net worth foreign national life insurance case submission.</p> <ul style="list-style-type: none"> <li>• Minimum of \$500,000 in U.S. assets</li> <li>• Minimum of \$2,000,000 of verifiable foreign assets</li> </ul> <p>Only foreign assets from “A” and “B” rated countries or regions and up to a maximum of 10 times U.S. assets may be considered.</p> <p>If U.S. assets are less than \$500,000 or foreign assets are less than \$2,000,000, only U.S. assets and income will be considered for the client’s death benefit and affordability determination.</p> <p>If U.S. assets and/or income are sufficient to support the amount of death benefit requested and annual premium, foreign assets may not need to be independently verified.</p>
<b>U.S. nexus</b>	<p>Foreign nationals who do not permanently reside in the U.S. must establish a substantial connection to the U.S. (nexus) and a financial need for the amount of life insurance requested.</p> <p><b>A substantial U.S. connection requires that the policy owner (and insured, if different):</b></p> <ol style="list-style-type: none"> <li>Have significant, legitimate interests in the U.S.;</li> <li>Have been physically present in the U.S. for 15 days in the preceding 12 months;</li> <li>Currently be in the U.S. for purposes other than solely to purchase life insurance; and</li> <li>Have an existing U.S. financial presence, including a U.S. bank account and valid physical U.S. mailing address of record.</li> </ol> <p><b>To establish the U.S. connection is substantial, the policy owner or insured must demonstrate a financial need for the amount of U.S.-based life insurance that is being requested by satisfying at least one of the following:</b></p> <ol style="list-style-type: none"> <li>1. Own real property in the U.S., or have other significant U.S. property ownership interests;</li> <li>2. Maintain a permanent U.S. residence;</li> <li>3. Maintain an investment interest in the U.S. that may include U.S. investment account ownership;</li> <li>4. Be an employee of a U.S.-based company;</li> <li>5. Have primary employment in the U.S.;</li> </ol>

<b>U.S. nexus</b> (continued)	<ol style="list-style-type: none"> <li>6. Own a business in the U.S.;</li> <li>7. Own an established foreign company actively engaged in business for the past 12 months and transacting business in the U.S.;</li> <li>8. Have significant and systematic ongoing business activities in the U.S. such as regular physical visits or a presence in the U.S. for purposes of conducting business;</li> <li>9. Have U.S. income, business, or estate tax liability and/or estate, tax, or financial planning needs in the U.S.;</li> <li>10. Be married (as defined by U.S. Tax Code) to a U.S. citizen, a lawful permanent foreign national, or (subject to individual review) a conditionally approved lawful permanent foreign national;</li> <li>11. Have a U.S. financial account with a \$500,000 minimum balance (for the past six months, if this is the only basis of need for U.S.-based life insurance).</li> </ol> <p>Due to the complexity of individual case circumstances, these guidelines are not meant to be all-inclusive. Allianz will decide if a <b>substantial U.S. connection</b> has been established on a case-by-case basis.</p>
<b>Applicant profile</b>	<ul style="list-style-type: none"> <li>• Employment: professionals (e.g., doctor, lawyer, executive, etc.);</li> <li>• Must be able to provide a validly completed IRS Form W-8BEN for individuals or an IRS Form W-9 for U.S. business entities;</li> <li>• Minimum net worth of \$2,000,000 (U.S. or U.S. equivalent); and</li> <li>• Minimum annual income of \$100,000 (U.S. or U.S. equivalent).</li> </ul>
<b>Legal status</b>	<p>(B-1), (B-2), (E-1), (E-2), (H-1B), (H-4), (K-1), (K-3), (L-1A), (L-1B), (L-2), (O-1), (O-3), (P), (V-1), (TN), (TD); (WB) and (WT) Visa Waiver Program (VWP), and (BCC) Border Crossing Card Program. Any other type of non-immigrant visa will be reviewed on an individual basis.</p> <p>Only visas granted prior to application will be accepted.</p>
<b>Prohibited applicants</b>	<p><b>FOREIGN POLITICALLY EXPOSED PERSONS (PEP/RCA)</b></p> <p>A PEP is an individual who is or has been entrusted with prominent public functions by a foreign country or international organization. For example, but not limited to, heads of state or government, senior politicians, senior government positions, judicial or military officials, senior executives of a state-owned corporation, and important political party officials and their family members or close associates.</p> <p><b>OCCUPATIONAL AND AVOCATIONAL PERSONS</b></p> <p>For example, but not limited to, foreign missionaries, police, domestic or foreign military and security personnel or bodyguards deployed overseas or in a combat zone, professional athletes, journalists, public figures, celebrities, or arms dealers</p> <p><b>DESIGNATED INDIVIDUALS AND ENTITIES</b></p> <p>OFAC specially designated individuals or entities, as well as any individuals or entities in other sanctions lists, FinCEN lists, or restricted lists</p>

## PRE-SOLICITATION PROCESS

There are several steps that must be taken in order to sell through the Allianz HNWFN program. These steps may be different depending on whether you are a new or current producer with Allianz.

### Producer training and certification

All producers who want to sell through the Allianz HNWFN program must complete the Allianz Foreign National Solicitation and Referral training. The training must be completed in its entirety and attestation of the completion is required. If you are a new producer, you must also complete the Allianz AML training.

Links to one or both of these trainings will be sent to you via email upon the receipt of your producer paperwork.

#### NEW PRODUCER

- Complete and mail all new Allianz appointment paperwork into the Allianz home office
- Complete Financial Professional Certification

#### CURRENT PRODUCER

- Complete Financial Professional Certification
- Complete FCRA form (if appointed with Allianz over six months)

**Please note: If you are not approved to sell through the program by policy approval, the policy will be void and all application forms will need to be completed after producer approval date.**

Once all appointment, FN forms, paperwork and training are completed, you will be notified via email that you are approved to sell through the Allianz HNWFN program. Please maintain this email for your records.

### Sales, solicitation, referral definitions, and requirements

#### DEFINITIONS

Sales activity is any activity that includes:

- Solicitation, completion, and execution of the application and related forms (including examination requirements).
- Underwriting (including without limitation) medical and paramedical examinations.
- Evaluation of any change in insurability between the time of application, policy issuance, and policy delivery.

Solicitation includes any activity that leads to or is intended to lead to the sale of life insurance, including, but not limited to:

- Delivery of marketing materials, or letters soliciting the purchase of Allianz's insurance products.
- Conversations, seminars, presentations, telephone calls, faxes, e-mails, or meetings with foreign nationals to discuss Allianz's insurance products or other similar prospecting activities.
- Payment of compensation to a referral source in connection with the sale of an Allianz insurance product.

#### REQUIREMENTS

As part of the Allianz HNWFN program, you must strictly adhere to the sales, solicitation, and referral requirements below. These requirements include:

- No written materials produced by Allianz or referring in any way to Allianz may be brought into or delivered in a non-U.S. jurisdiction.
- All sales activities must occur in the U.S.
  - You may only engage in sales activities on behalf of Allianz in those U.S. jurisdictions in which Allianz is admitted, Allianz products are approved for sale, and where you are appropriately licensed and appointed.
  - Any activity that would require Allianz to be licensed or admitted in any non-U.S. country or jurisdiction is strictly prohibited and you cannot otherwise engage in any activity on behalf of Allianz in any non-U.S. country or jurisdiction.
  - For these purposes, the U.S. does not include U.S. consulates and embassies, "in transit" locations (i.e., while in an aircraft or watercraft), and U.S. Territories or Protectorates in which Allianz is not admitted or its products are not otherwise approved for sale.

<b>Sales, solicitation, referral definitions, and requirements</b> (continued)	<ul style="list-style-type: none"> <li>You cannot discuss Allianz, its subsidiaries, its parent company Allianz SE and its subsidiaries, or any Allianz product in a non-U.S. jurisdiction. <ul style="list-style-type: none"> <li>In all cases of soliciting sales to foreign nationals, or in any non-U.S. solicitation for that matter, no specific insurance products may be discussed in a non-U.S. jurisdiction.</li> <li>You may only discuss the need for life insurance in meeting a client's financial objectives.</li> </ul> </li> <li>You must be aware of and maintain strict compliance with all applicable local laws and regulations whether they be U.S. or non-U.S. <ul style="list-style-type: none"> <li>In order to protect the well-being of its residents, each sovereign country has the right to enact laws governing the sale of life insurance; these laws may be very restrictive and apply beyond the country or jurisdiction.</li> <li>You should consult an independent attorney for advice about activities that are permitted in the country of legal citizenship, residence, or regional jurisdiction of the prospective policy owner or insured, but in no way should you engage in activities expressly prohibited by, or beyond the scope of, these requirements.</li> </ul> </li> <li>Allianz only accepts medical and paramedical examinations by its approved labs and examiners in the U.S.</li> </ul>
<b>Non-U.S. referrals</b>	<ul style="list-style-type: none"> <li>No mention or identification of Allianz Insurance Company of North America (Allianz), its subsidiaries, its parent company Allianz SE and its subsidiaries, or any Allianz product can be made by you, any referral source, or by any party present during any meeting in a non-U.S. jurisdiction to discuss the role life insurance may play in helping a foreign national meet his or her financial objectives.</li> <li>Prohibited referral activities are detailed below and must be followed by you and your firm. The following are not permitted: <ul style="list-style-type: none"> <li>Payment of any compensation by or on behalf of Allianz Insurance Company of North America (Allianz), its subsidiaries, its parent company Allianz SE and its subsidiaries, or any Allianz product in a non-U.S. jurisdiction to any person in a non-U.S. country or jurisdiction for referring a client to the life insurance producer for the purchase of Allianz products.</li> <li>Referral for compensation by an entity or individual who is a licensed life insurance producer in the non-U.S. country of residence of the prospective policy owner, insured, or applicant while such entity or individual is in a non-U.S. country. Compensation for referral may be made to such entity or individual only if they are physically present in the United States at time of payment.</li> <li>Seminars, distribution announcements, mailings, unsolicited e-mails, letters, or any material which seeks to attract local life insurance producers in non-U.S. countries or jurisdictions and falls under the purview of U.S. or non-U.S. advertising and marketing collateral rules and regulation.</li> <li>Conducting business with a third-party marketing organization in non-U.S. countries or jurisdictions with respect to all Allianz products.</li> </ul> </li> </ul>
<b>Interpretation of application, policy documentation, and/or marketing materials</b>	<p>The interpreter used to translate any application, policy documentation, and/or marketing materials must be at least 18 years old and may be:</p> <ul style="list-style-type: none"> <li>A family member;</li> <li>A financial professional, who is not the selling financial professional, who speaks the native language of the client;</li> <li>A staff member of the financial professional's agency, FMO or AMFO who speaks the native language of the client; or</li> <li>The services of an independent professional interpreter, hired by the client.</li> </ul> <p>The interpreter may not:</p> <ul style="list-style-type: none"> <li>Be an immediate family member, spouse, or direct relative of the selling producer.</li> <li>Receive any financial compensation from the sale of the life insurance policy.</li> </ul> <p>If the policy owner does not speak English and an interpreter is used, the Certificate of Foreign Language Interpretation must be completed and submitted with the application.</p>

## PRE-SOLICITATION PROCESS (continued)

### Translation of medical records and financial documents

- If the medical records and/or financial documents are not in English and need to be translated, please note:
  - All translation must be completed through a certified translation company. Each translated document must be submitted with a translator statement of accuracy with reference to unique identifier on the original document.
  - Language Line Solutions is an approved resource for translation services. Contact Language Line at 800.752.6096 or [www.languageonline.com](http://www.languageonline.com).

All translation costs are the responsibility of the proposed owner or producer.

## APPLICATION PROCESS

### General information

#### Plan ahead

Before submitting an application, you may want to contact your Allianz Case Design Team. This will help determine if the client meets all of the qualifications to apply through the program.

Obtaining information on a foreign national applying for U.S. life insurance may be difficult. The better prepared a case is and the closer the ties to the U.S., the smoother the process may go.

#### Schedule accordingly

There must be enough time spent in the U.S. by the policy owner and insured (if different) to facilitate information gathering and adequate time to complete the underwriting and policy delivery process. The application, medical exam, labs, and tests must be completed in the U.S.

#### Anticipate additional requirements

For all foreign national underwriting case submissions, there are a number of additional forms and requirements. Following the list of foreign national requirements and working closely with the Allianz Underwriter will facilitate the process.

### Policy ownership

The insured may own his or her own policy, subject to any specific requirements of the insured's country of legal citizenship, residence or jurisdictional region. Other permissible policy owners include:

- An immediate family member who permanently resides in the U.S. and satisfies the requirement of having a substantial U.S. nexus
- A revocable or irrevocable U.S. trust with a valid Employer Identification Number (EIN). The Verification of Trust Agreement form must be completed.
- A U.S. corporation, partnership, or limited liability company
- A U.S. citizen with insurable interest in the insured

### Optional Limited Power of Attorney

The proposed policy owner may designate an Attorney-in-Fact to sign the Policy Delivery Receipt and any delivery requirements. They may also receive post-issue communications regarding the policy, as well as inquire and receive policy information from Allianz. This is done through the use of an optional Limited Power of Attorney (LPOA).

The Attorney-in-Fact must reside within the U.S. and be a legally competent adult who is responsible to know and comply with applicable state laws. The Attorney-in-Fact can be a relative of the proposed policy owner or an attorney, CPA, banker, or other professional who provides services to the proposed policy owner.

The LPOA must be drafted by an attorney hired by the client and comply with state-specific laws. The LPOA should be submitted with the application.

If you have a client using an LPOA, please contact your Life New Business Representative for assistance and additional information.

## Foreign national requirements

In order for the application to be received in good order (IGO), all of the following are required. Any missing requirements may result in delays during the underwriting and compliance review.

- Signed Proposed Insured Certification
- Signed Foreign National Questionnaire
- All required application and forms for the state of solicitation
- Personal Financial Questionnaires – one for U.S. assets and one for foreign assets
- Copy of the current U.S. bank statement and the U.S. bank statement from six months prior to application from the account where premiums will be drafted. Alternatively, a copy of the current U.S. bank statement and a letter from the bank stating the bank account was opened at least six month prior to the application date.
- Photocopy of the applicant's passport (including photo)
- Photocopies of all of the applicable documents: visa (for all jurisdictions except as allowed with foreign jurisdictions included in the U.S. Visa Waiver and Border Crossing Card programs), employment authorization documents, and Social Security card
- Either W8BEN or W-9 Form; must include their Foreign ID number
- Department of Homeland Security Records Consent Form
- Additional forms (if applicable)
  - Limited Power of Attorney
  - Certification of Trust Form
  - Certification of Foreign Language Interpretation
  - Employment documents (if working within the U.S.)
  - SSA card (if held)

## UNDERWRITING AND COMPLIANCE REVIEW

There are several steps/requirements that you and the proposed insured and/or owner can expect during the underwriting and compliance review process that are in addition to the non-FN requirements.

- Request for required information (if not provided).
- If the face amount is over \$3M, a phone call will be made to the proposed insured from our vendor to verify all application information and ask additional personal questions.
  - **NOTE:** this phone call may take place while the proposed insured is outside of the U.S.
- Comprehensive foreign background check (on a case-by-case basis).
  - **NOTE:** this process may take 10-15 business days.
- Comprehensive Anti-Money Laundering (AML) review checking against various government and security databases.

These additional requirements may add additional time to the application process. The more information that is provided at time of application, the quicker the process may be completed.

## APPLICATION APPROVAL, ISSUANCE, AND DELIVERY

Once the application has been approved, there are several steps to follow during the policy delivery.

- The policy must be delivered in the state where the application was signed.
- The delivery receipt must be signed by the policy owner or Attorney-in-Fact in the state where the application was signed.
- The premium payment must be received from a U.S. bank account owned by the policy owner via domestic wire, personal check, or electronic draft. Foreign wires and other payment methods, cash, or cash equivalents are not allowed.

After all of these requirements are received, the policy will be issued.

## AUDIT PROGRAM

In an effort to ensure compliance with the stated guidelines, all foreign national life insurance sales are subject to specific auditing which uses analysis based on the risks associated with the underwriting. Audits may include review of all aspects of the foreign national program including life insurance producer qualification and certifications, sales activities, applications, questionnaires, policy delivery, policy administration, and compliance.

## COUNTRIES OF CITIZENSHIP AND RESIDENCY

<b>B</b> Albania	<b>B</b> Fiji	<b>A</b> Palau
<b>B</b> Algeria	<b>A</b> French Polynesia	<b>B</b> Paraguay
<b>A</b> Andorra	<b>B</b> Georgia	<b>B</b> Peru
<b>A</b> Antigua and Barbuda	<b>A</b> Grenada	<b>A</b> Qatar
<b>B</b> Armenia <sup>1</sup>	<b>A</b> Hong Kong	<b>A</b> Saint Kitts and Nevis
<b>A</b> Aruba	<b>A</b> Israel <sup>1</sup>	<b>A</b> Saint Lucia
<b>A</b> Australia	<b>B</b> Jamaica	<b>B</b> Samoa
<b>B</b> Azerbaijan <sup>1</sup>	<b>A</b> Kosovo	<b>A</b> San Marino
<b>A</b> Bahrain	<b>A</b> Kuwait	<b>B</b> Saudi Arabia
<b>A</b> Barbados	<b>A</b> Malaysia	<b>A</b> Serbia
<b>B</b> Bhutan	<b>B</b> Maldives	<b>B</b> Seychelles
<b>A</b> Bosnia and Herzegovina	<b>A</b> Marshall Islands	<b>A</b> Sint Maarten
<b>A</b> Brunei	<b>A</b> Mauritius	<b>B</b> Sri Lanka
<b>B</b> Cabo Verde (aka Cape Verde)	<b>B</b> Mexico	<b>B</b> Suriname
<b>A</b> Canada <sup>2</sup>	<b>B</b> Moldova	<b>A</b> Taiwan
<b>A</b> Chile	<b>A</b> Monaco	<b>B</b> Tonga
<b>B</b> China <sup>3</sup>	<b>B</b> Mongolia	<b>B</b> Trinidad and Tobago
<b>A</b> Curacao	<b>A</b> Montenegro	<b>B</b> Tunisia
<b>A</b> Dominica	<b>B</b> Morocco	<b>A</b> Turks/Caicos (GBR)
<b>B</b> Dominican Republic	<b>A</b> North Macedonia	<b>B</b> Uzbekistan
<b>B</b> Ecuador	<b>A</b> New Zealand	<b>B</b> Vietnam
<b>B</b> Federated State of Micronesia	<b>A</b> Oman	

**A** Eligible up to and including Preferred underwriting.

**B** Eligible up to and including Standard underwriting.

<sup>1</sup> With restrictions.

<sup>2</sup> All provinces except Alberta, British Columbia, and Manitoba.

<sup>3</sup> Cities over 1 million in population. May be considered up to Preferred underwriting.

For additional information about our High Net Worth Foreign National Program, contact the **Life Case Design Team at 800.950.7372.**

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America. [www.allianzlife.com](http://www.allianzlife.com)

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